

NC BOARD OF TRANSPORTATION
AUDIT AND CONTRACT REVIEW COMMITTEE

July 6, 2011

Meeting Minutes

The Audit and Contract Review Committee meeting was held on July 6, 2011, in the Transportation Building, EIC Room 114M. The meeting was called to order at 9:34 a.m. by committee chair Gus Tulloss. A motion to approve May 4, 2011, minutes was made by Mike Fox and seconded by Sam Halsey. Board of Transportation members in attendance were: Mike Fox, Sam Halsey. Board members Wanda Proffitt, Ralph Womble absent.

Other attendees included: Beth McKay, Willard Young, Victor Barbour, Eric Boyette, Katherine White, John Sullivan (FHWA), Bertha Davis, Derrick Lewis, Sandy Nance and Linda Fuller.

Performance Measures

Victor Barbour presented the proposed Executive Performance Metrics for 2012. Changes were made to more closely align the measures to the Departments missions and goals. One of the proposed changes is to obtain a 50% goal of outsourcing to private engineering firms effective July 1st. It was mentioned that Ehren Meister recently presented an overview of DOT's Performance Metrics process at the Northeast Association of State Transportation Officials (NASHTO). It was additionally noted that NCDOT is the only state currently linking the Performance Metrics to the Employee's Performance Dashboard and Appraisal System (PDA) and DOT was recognized for its work on this linkage. The Dashboard Performance Metric system has been in place since 2007.

OIG Update

Eric Boyette, Inspector General provided an update on projects in the following areas: The **Powell Bill** Manager retired effective July 1. The IG is in the process of combining these duties with another employee to continue to streamline and show costs savings. Legislation was passed stating that municipalities that do not have eligible road miles will not receive Powell Bill funding. (GS 136-41.2B handout). In addition, there was an issue with the carry forward balances outstanding from previous year(s) Powell Bill funding.

Ferry Response: An exit conference was held between Jim Trogon, Ellis Powell and Eric Boyette and the State Auditor's Office on June 20th. The Ferry Audit findings and recommendations were submitted at that time. DOT submitted their management response within the required 10 day turnaround period. The State Auditors findings were consistent with the 2010 OIG Audit Report Findings.

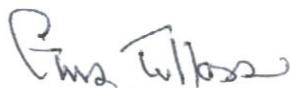
Internal Audit: The Internal Audit Branch completed the Indirect Cost Allocation Audit with no findings. This was a compliance audit. The auditors continue to conduct ARRA Audit reviews. As of July 1, we have completed 29 audit reviews out of the 32 audit population sample.

Single Audit Compliance: In the process of updating the 2011 Grants Master List in addition to fulfilling requests for the 2011 confirmations.

Consultant, Utility, Railroad and Turnpike section – The auditors are conducting post audits on Bridge Inspection program to achieve a more accurate baseline for our internal estimates of contract work. Todd Jones and Eric Boyette will be traveling to Colorado later this month to attend the American Association of State Highway and Transportation Officials (AASHTO) Audit Conference. They will participate in the review and also will be voting on revisions to the Audit Guide.

Investigations: To date the Investigations Branch has logged over 100 investigations for FY 2010-2011. This is the most since OIG was established.

Mr. Tulloss adjourned the meeting at 10:00 a.m.



Gus Tulloss, Chair

Prepared by:
Linda Fuller